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THESIS

A STUDY OF THE PRACTICAL PROBLEMS
OF THE DEPARTMENT OF DEFENSE'S PLANNING,
PROGRAMMING, AND BUDGETING SYSTEM (PPBS)

by

Charles H. Thornton, Jr.

June 1986

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A Study of the Practical Problems of the Department of Defense's Planning, Programming, and Budgeting System (PPBS)

by

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Abstract

Planning, Programming and Budgeting (PPBS) has survived in the Department of Defense (DOD) for the better part of twenty-five years. It has not only endured, but by most accounts it has produced measurable improvements in the preparation of a credible budget for the defense establishment. However, in spite of budgeting advances experienced over this period as a result of PPBS, there continue to be problems with the system. This thesis attempts to offer a broader understanding of the significant and subtle factors of PPBS success in the DOD. By examining both the problems of the system which lead to the introduction of PPBS and also the problems created as a result of PPBS and its evolution of changes.

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I. INTRODUCTION

A. GENERAL

Although numerous management innovations have been introduced in the past quarter century, few have been as controversial as the Planning, Programming and Budgeting System (PPBS) developed for the Department of Defense (DOD) in 1961 under the Secretary of Defense Robert S. McNamara. Many in the field of Management Science still debate the applicability and appropriateness of PPBS. [Ref. 1] Moreover, considerable disagreement exists in literature as to what PPBS was supposed to accomplish and what it actually has done during its twenty-five year of existence. [Ref. 2] This thesis with its broad system perspective will explore some of the organizational problems associated with PPBS as it has been generally practiced in DOD, with special attention to comparative linkages to pre-PPBS problems.

B. RESEARCH QUESTIONS

This thesis will address three basic questions. First, what were the problems of the defense budget process that lead to the introduction of PPBS in the DOD? Second, what was the impact of the PPBS evolution on the defense budget process? And third, after over 20 years of changes, are there still unresolved problems plaguing the process?

C. DEFINING PPBS

PPBS is the formal process for making resource allocation decisions in the DOD. It is an annual, sequential series of events leading to the development, approval, and execution of the DOD budget. [Ref. 3]

The PPBS budget process was divided into three non-familiar phases; Planning, Programming, and Budgeting. The planning phase theoretically would provide an assessment of the threat and provide an integrated multi-year overview of the direction in which the DOD should go. Planning guidance for program development focuses on the period two to nine years into the future. The programming phase would have a multi-year perspective design to meet the funding, constraints, and the composition of forces identified in the five year defense plan (FYDP).

The budgeting phase would be limited to the first year of the five-year plan. It is examined in great detail by programs, and it is as accurate and complete as possible. This final component in the three phases of PPB, coupled with the first two phases, appeared to offer a sound and rational system.

D. A BRIEF HISTORY OF PPBS IN DOD*

The concept of program budgeting, as applied to DOD, was developed at The Rand Corporation in the 1950's. Before Secretary of Defense (SECDEF) Robert McNamara, introduced the concept in 1961, the individual military departments had prepared their budgets following their individual interests with relatively little outside guidance. During the pre-PPBS period, the involvement of the SECDEF was largely limited to dividing DOD's budget ceiling among the military departments and reducing the departments' budgets, if they exceeded their share of the pie. This was usually accomplished through across-the-board cuts. There was both little attempt and little ability within the Office of the Secretary of Defense to review the programmatic aspects of the military department's budget submissions.

---

*This Section on the history of PPBS during the McNamara and Laird years is drawn from the Lawrence Korb article, "The Budget Process in the Department of Defense, 1947 to 1977: The Strengths and Weaknesses of Three Systems," Public Administration Review, July/August 1977, pp.334-346.

This early approach to budgeting had the following problems:

1. There was duplication of effort among the services in various areas.

2. Service budgets were prepared largely independent of one another with little balancing across services.

3. Services felt they were entitled to their fixed share of the budget regardless of the effectiveness of their programs or overall defense needs.

4. The budget process focused almost exclusively on the next budget year, though the current decisions had considerable consequences for future years.

5. Budget decisions were made largely independent of plans.

6. There was little analytical basis on which the SECDEF could either make choices among competing service proposals or assess the need for duplication in service programs.

During the early years of PPBS, Robert McNamara entered office as SECDEF determined to be an active participant in preparing DOD's budget, and in choosing the weapons developed and purchased by the military departments. He saw the budget process as his vehicle for achieving these goals. From the Rand Corporation, McNamara recruited Charles Hitch and Alan Enthoven, two of the key architects of PPB for defense and installed them in the Pentagon. PPB not only offered a way for McNamara to gain the control he desired over DOD, but also addressed each of the previously described problems of the existing budget system.

Probably no SECDEF since McNamara has sought to exercise the degree of detailed control that he did over the defense program and budget. Since its inception, PPBS has been in a constant state of evolution. It has had to serve secretaries whose management philosophy and style favored centralized control and direction, as well as those who preferred a more decentralized approach. However, the basic elements of the system-- three phases, program and budget guidance to the services from the Secretary, OSD review of the service program and budget proposals, and the use of quantitative analysis to choose among competing programs-- have remained.

The following is a brief summary list of the evolutionary changes of PPBS after the McNamara era. The next chapter will discuss in more detail the impact of these changes.

1. The first major change in PPBS occurred under Melvin Laird, who became SECDEF in 1969. The Office of System Analysis no longer put forth independent program proposals of its own but reviewed those put forward by the services using specific budgetary ceilings. The imposition of budget ceilings for the programming phase of PPBS has become a permanent feature of the system. Having the services propose programs, rather than reacting or responding to programs suggested by OSD, has become the norm as well. The type of review by OSD, primarily the degree of detail in which the service proposals are reviewed, varies with the management style and preference of the SECDEF.

   The type of programmatic guidance provided to the services for use in preparing their 5-year programs has also varied over the years. Again, the differences have been centered primarily around the degree of specificity contained in the guidance, and thus the degree of central control exercised by OSD

over the programming process.

2. During the Carter administration, Zero Based Budgeting (ZBB) was instituted with limited success. The goal of ZBB was to more clearly identify marginal programs. With its array of decision packages at three different "bands", or resource levels, ZBB was viewed by some as being little more than a technique for providing the SECDEF and OSD with greater opportunity for altering service program proposals.

3. In 1979, the "Rice Study" [ref 4] of PPBS led to the Defense Resources Board (DRB) being formed. Consisting of the various Under Secretaries and Assistant Secretaries in OSD, plus the Chairman of the JCS, the board worked to identify those major issues in program review deserving of the SECDEF'S attention. The board itself was to resolve lesser issues.

4. The Reagan administration under a concept of decentralization, broadened the board's membership to include the service secretaries. This was done with the belief that the service viewpoints were important and useful, and that fewer decisions, would be contested if the services were represented on the board that debated the issues. The operational experience of the Commanders-in-Chief (CINC) of the Unified and Specified Commands has been brought to bear through briefings they provide to the DRB on the prior year's Defense Guidance (DG). Along with this, other aspects of PPBS were modified by what was called the "Carlucci Initiatives". Chapter IV of this study will address these efforts in more detail.

E. ENVIRONMENTAL FACTORS

In reviewing PPBS, it is useful to understand that PPBS must function in a broader political, economic, and management environment. The study conducted by the Joint DOD/GAO working group on PPBS use the label "Environmental Realities" in describing these factors. [Ref. 3:pp. 23-28] The fact that PPBS must accommodate these factors is acknowledged and the below list is provided and viewed as

significant to the readers appreciation of their influences on the DOD budget process.

1. National Economic Conditions

The relative health of the economy, the rate of inflation or deflation, and other economic factors all help determine the amount of resources the nation's leadership will devote to defense.

In a democracy with shared legislative and executive powers, national economic considerations are essentially political and policy judgments by the President and the Congress that determine the amount of resources available for Defense.

2. International Treaties and Commitments

America's worldwide interest and commitments are a fundamental part of the environment in which PPBS operates. They provide the very basis for determining the type of threats, and help define the contribution we and our allies can be expected to make to protect shared interests against a common threat. The definition of the threat against U.S. interest is the starting point for all defense planning and subsequent events in PPBS.

3. Congressional Concerns

A major responsibility of any member of Congress is to represent the needs and concerns of his/her geographic areas and constituents, balancing these with the broader interest of the nation. These congressional concerns as seen by many periodically in conflict. The Congress does require DOD to spend money on weapons systems and operations (e.g., bases) that DOD has not requested. Congressional concerns and wishes must be considered early in the programming and budgeting phases of PPBS. It is better to anticipate and accommodate congressional desires in the building of programs, than have the programs adjusted later to reflect congressional priorities and concern.

4. Timing Appreciations

It has become the norm, rather than the exception, for the DOD to begin the fiscal year without annual appropriations. This requires operating part of the year on continuing resolutions, which does not provide the same level of funding as the appropriation acts. As a result, some projects must be postponed, it becomes necessary to squeeze budget execution into a shorter time period; and the uncertainty and work intensiveness of preparing the next year's budget for the next PPBS cycle, remains in doubt.

Needless to say, late appropriations complicate and efficient the orderly execution of programs and budgets, and magnify the work intensity of PPBS.

5. Successive Administrations

Historically, management of DOD has swung between a centralized decisionmaking process or a decentralized process. Basically coincidingd with changes in presidential administrations, each of the two management systems call for different types of resource and management information.

PPBS must be sufficiently flexible in design and operation to accommodate the different managerial philosophies and objectives of successive secretaries and administrations.

6. Service Competition for Resource

Competition among the services for finite resources is a fundamental feature of resource allocation in DOD. The differing, and often competing, perspectives, needs, and responsibilities of the services, OSD, and JCS must be clearly understood in assessing PPBS and recommending system modification. From this competition can spring much of the innovation and momentum toward efficiency that is essential to getting the largest return on national investments in

defense. The challenge of PPBS is to channel, and use, that competition without either allowing it to get out of control or stifling it.

7. Personnel Turnover

The DOD has regular, rather rapid turnover of its top civilian policymakers, particularly Presidential appointees. The average tenure at about 3 years. In addition, the military services rotate their career military personnel regularly. This turnover in both top civilian and career military personnel places a premium on the continuity of civil servants and military personnel whose careers follow a particular specialty.

Notwithstanding, PPBS must operate in a environment in which people with important resource allocation responsibilities at all levels are not necessarily familiar with PPBS process. Thus PPBS information and procedures must be able to accommodate a wide variety of experience and knowledge among the participants.

8. Decisionmaking by Committee

PPBS decisions are made, in large part, by various committees within DOD and the military departments. These committees neither keep minutes of their meeting nor provide written rationale for their decisions, which may be circulated widely. This feature of PPBS decisionmaking has been much discussed and debated. Defenders argue that making decisions by committee allows a wide range of views to be considered and provides a sense of participation in, and commitment to the decision reached. The lack of minutes of meetings encourages a frank exchange of views without the necessity to speak "for the record." On the other hand, critics say that the lack of minutes obscures the rationale for the decisions reached; making it difficult to hold anyone accountable; and that it fails to provide a record of decisionmaking for later assessment and review. The strengths and weaknesses of decisionmaking by committee in PPBS should be understood and kept in mind as one reviews the system. Given the complexity of the PPBS information review and integration task, the existence of committees appears necessary.

9. Civilian-Military Responsibilities

PPBS can be viewed within the context of the interaction of the two major responsibilities of DOD--(1) setting national defense policy and choosing resources to

enhance the military defense capability in the future and (2) preparing war plans and maintaining operational forces that provide maximum military capability with the resources on hand today. Civilians within DOD play the major role in the first arena, while the second is primarily the province of the military, particularly the JCS and the Unified and Specified Commanders.

Civilian control of the military is a fundamental principle of the Republic. However, differences in management approach among secretaries of defense, and the degree and type of control they try to exercise in PPBS, and DOD generally, reflect differing underlying philosophies about the role of civilians in DOD. Cooperation between the military and civilian personnel is necessary for PPBS, and DOD as a whole, to be effective.

F. Scope

In the last 25 years, the evolutionarily process of PPBS has received an ebb-and-flow of attention in the literature. There were periods during which PPBS was the subject of extensive professional writing; by contrast, there were also bleak intervals, during which little or no literature was published. However, the scope of the literature is extensive enough in data to merit several thesis, if all the aspects of the PPBS were considered. Therefore this research has two important limitations.

1. Timeframe

There are two periods in time from which the study will be focused. The early 1960's, the period of time just prior to the introduction of PPBS and the early 1980's, twenty years later. The study will examine the major changes to PPBS between these two periods, from the standpoint of their impact on the PPBS process.

2. Practical Framework

The research is also limited to surveying the DOD's abilities to put PPBS into use as the solution to its budget problems of the early 1960's, and assessing the alleged practical shortfalls in the early 1980's.

G. Assumption

It is assumed that the reader has some limited general knowledge of the DOD's PPBS. A consolidated listing of abbreviations and acronyms is provided in an Appendix. It will identify the DOD terms contained in the thesis.

H. Methodology

In preparing this thesis, I relied on a comprehensive review of representative literature (books, articles published in professional-interest journals, congressional documents, unpublished memoranda, etc.).

I. ACKNOWLEDGMENT

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II. THE BUDGET PROCESS PRIOR TO PPBS

A. BACKGROUND

From the creation of the Department of Defense in 1947 through 1961, the budget format or process within the department was virtually unchanged.[Ref. 5] Before addressing the first question, "what were the problems that lead to the introduction of PPBS in DOD?, a look back at what was called "traditional" budgeting, as it was practiced in DOD prior to 1961 is necessary.

The budget process would begin about a year before the budget was to be submitted to the Congress. During the mid-1950's, the budget process would start with a series of cabinet meetings and National Security Council meetings, which established the first step--the imposition of a fiscal ceiling on DOD by the Administration. Dominating these meetings, President Eisenhower, like his Democratic predecessor, was concerned with a balanced budget and decreed that no more than 10 percent of the gross national product would go to defense. This was done with little regard to those events in the international arena which appeared to dictate an increase in defense spending.

A case in point: in January 1957, President Eisenhower requested $35.5 billion for DOD during FY 1958. Within the next ten months, the Soviet Union shocked the American public and the world by launching the first intercontinental

ballistic missile and orbiting the first Sputnic satellite. In light of these dramatic Soviet advances, the Congress and the public expected some spectacular new initiatives in the FY 1959 defense budget, but none were forthcoming.[Ref. 6:p. 334]

After the President made his decision on the ceiling of the defense budget, the Secretary of Defense would go back to the Pentagon with budgetary target figures and task the DOD budget Director to allocate the budget ceiling amount among the three services.

It should be noted here that throughout the period 1947-1961, with the exception of the Korean War, the services received virtually fixed shares of the total defense budget amount: the Air Force, 47 percent; the Navy 29 percent; and the Army 24 percent. Each of the services would in turn prepare its basic budget submission by dividing its own ceiling among its own functions, units, and activities. This system allowed the service secretaries to function as line-officer managers for their respective departments.

As the services prepared their budget, they were to be guided by two planning documents: The Basic National Security Policy Document (BNSP) and the Joint Strategic Objectives Plan (JSOP). For reasons which will be discussed later in this paper, there was in effect no definitive guidance provided by these two planning documents for services. Therefore, in building their budgets, the

individual services were free to emphasize those portions to their programs and missions which they felt contributed most to national security and strategic objectives. Each service could justify exceeding its budgetary ceiling because it could legitimately claim that it alone was providing the nation's security. As a result, each October the budget for the services was sent to the Secretary of Defense not only unbalanced but in excess of the Presidential ceiling.

Within the Office of the Secretary of Defense (OSD), the job of reducing the services' requests fell to the DOD Budget Director and his staff. Their task was to bring the accumulated service requests into line with the Administration's ceilings.

Mr. John E. Keller, who worked as one of the DOD Budget staffers during this period, described the across-the-board reduction process:

> It is now roughly the first of October. The budget has to go to bed around the first of December. So, you now have 60 days to stuff $80 billion worth of programming and planning into a $40 billion fiscal straitjacket. That is not surgery, that is mayhem, and the weapon of choice is not a scalpel, but a meat-ax. Come the first of December, we had a $40 billion "plan and program" to fit inside the $40 billion budget. But all that new balance and symmetry that had gone into the original JSOP, needless to say, was destroyed. The bits and pieces were lying around the shop floor in bloody hunks."
>
> . . .[the] raw bits and pieces that had survived the "program budget review" were stitched together in the form of the Secretary's posture statement and made to sound like we knew what we were doing." [Ref. 7]

consequence of this up-front realization was to increase agreement among the participants (competition) in the budget process; it also "tended to reduce the amount of conflict".[Ref. 8] However, these perceived advantages are far outweighed by the problems seen by other authors, including Korb.

C. THE PROBLEMS OF TRADITIONAL BUDGETING

What was found to be perhaps the most important defect in the pre-1961 system was the almost complete separation between planning and decision-making on weapon systems and forces, on one hand, and budgeting on the other. [Ref. 9:p. 82] There was some planning done by the National Security Council and the Joint Chiefs of Staff, as reflected in the Basic National Security Policy Document and the Joint Strategic Objectives Plan, but these documents were bifurcated and completely unrelated to fiscal reality.

The Basic National Security Policy Document theoretically was a comprehensive statement of American strategic policy, that was intended to provide planning guidance to the Joint Chiefs of Staff and the services in their planning for force and weapons levels. Rather than resolving the sharp differences of opinion over what the strategic policy of the United States should be, it glossed over them to make the document acceptable to all parties. [Ref. 6:p. 335]

The DOD budget itself was thus converted into a nice, neat and tidy package--within the constraints imposed by the President.

B. INTRODUCTION TO THE PROBLEMS

The brief description above, provides a basic appreciation of the "traditional" budgeting methodology and sets the stage for understanding the criticisms of it, and the support for a new system.

The literature reviewed for this study suggests numerous explanations for the institution of PPBS. Among them were such reasons as to consolidate the Budget Process in DOD, to provide the Secretary of Defense with a general management tool for controlling DOD, to link consideration of military force issues to cost-budget issues, and to correct the defense resource allocation process from an input to an output orientation. However, the prevailing theme of most of the authors, was that PPBS was instituted as a means of correcting the various problems evident in the "status quo" (Traditional Budgeting). Not every author saw the traditional process as being wholly undesirable. To some degree, Lawrence Korb saw the overall budget control figure received by DOD from the Administration as beneficial in that it gave both the Secretary of Defense and the Services a true picture of fiscal reality at the outset of the process. According to Aaron Wildavsky, the major

The basic National Security Policy Document was sent to the Joint Chiefs of Staff after its completion, to serve as a guide for the development of the Joint Strategic Objectives Plan. The Joint Strategic Objectives Plan is the document intended to assess the threat and prescribe the military forces that the Joint Chiefs of Staff believed to be required to meet the military strategy and national objectives. In view of the fact that the guidance in the Basic National Security Policy Document could be interpreted in so many ways, the three service chiefs attempted to stress that portion of the guidance that enhanced the primary missions of their respective services. As a result, the Joint Strategic Objectives Plan was really three separate plans pasted together and labeled "joint." [Ref. 10]

Each of these documents, the Basic National Security Policy Document and Joint Strategic Objectives Plan, were essentially useless as guidance for planning and had no real relevance to the budget process. A budget constrained along these lines did not permit the Secretary of Defense or the President to tell what provision was being made to increase the capacity to defend the United States, to engage in operations, etc. [Ref. 9:p. 33]

As a result of this lack of integrated planning, there were other significant problems in the traditional system found in the literature:

1. Duplication Of Effort

Virtually complete latitude was accorded the services in determining how they wished to spend their particular share of the overall fiscal target given to DOD. Lack of centralized control over programs--or even any substantive programmatic guidance--created inevitable duplications of effort, with the services independently pursuing similar mission and policy objectives. For example, in the case of the prestigious area of strategic offense, in which the guidance was so loosely worded as to allow each service to interpret its own role, independently of the other two, each service was committing resources to its own intercontinental ballistic missile system program.

2. Neglect Of Important Missions

Just as the lack of central control/guidance with regard to programs permitted duplication of effort, it also resulted in the failure to attend to all areas that might be deemed essential to national defense. For example, the Air Force during the 1950's gave overriding priority to its bombers and missiles; no one forced them to pay attention to the more mundane area of tactical air operations (which were essential to supporting Army's ground operations). Consequently, such areas received paupers' rations.

Similarly, the Navy felt that aircraft carriers deserved priority, at the expense of antisubmarine warfare and escort functions. The result of these and other

numerous examples was an imbalanced force structure, that left some programs/missions/objectives over-funded, while others were covered inadequately or not at all.

The traditional budgeting process had no mechanism to protect against either exigency. "Our defense posture was not very well balanced." [Ref. 11:p. 4]

3. Fair Share, Versus Need

A third perceived problem of the traditional process is that each service was apparently led to believe that it was guaranteed a given proportion of the total defense budget alloted to DOD. The explanation for this phenomenon is twofold. First, with the exception of the Korean War years, experience had followed a fairly predictable pattern from 1947 through 1961--over the years, each services share was virtually fixed (Air Force had the lion's share of 47 percent; Navy 29 percent; and Army 24 percent). Secondly, no one had an effective means of assessing the effectiveness of a service's programs vis-a-vis the requirements of national defense.

4. Focus On A Single Year

The limited time horizon of traditional budgeting--one year at time--forced DOD's budget formulators to concentrate almost wholly upon current costs, with scant regard to future costs (much less future effectiveness). This meant an effective concentration on operations rather than investment expenditures.

5. Choosing Among Competing Items

The traditional approach, with its line-item orientation and near-total concentration on input (the resources to be spent), rather than output (what those resources might buy), provided no rational criteria for the Secretary of Defense to decide which proposed expenditure should be funded in the event that the overall DOD ceiling could not cover all proposals. Since what the services annually submitted to the Office of the Secretary of Defense typically added up to approximately 200 percent of the DOD ceiling, the Secretary of Defense (and his comptroller) could deal with inevitable service competition decisions--or, as described earlier in this chapter," the meat-ax approach." The problem was repeated at lower levels, by service chiefs attempting to decide which efforts should receive funding.

6. Planning Versus Budgeting

This finding might have been synonymously titled, "objectives versus spending." The input-focus of traditional budgeting carried numerous consequences for meeting national security objectives. Given a complete absence of any mechanism for relating planning to budget decisions, the traditional approach left the attainment of policy objectives to chance.

John Dawson is one of several critics who see this as one of the foremost difficulties of defense resource

decision-making during the 1950's: "the distinct separation of longer range, requirements-oriented military force planning from annual fiscally constrained budgeting." [Ref. 12]

D. SUMMARY

By January 1961 there had been quiet but longstanding recognition of these problems and the fact that the defense budget was a budget that could not translate resources into objectives, could not project the future resource implications of proposed, and that did not distinguish between one-time investments and recurring, or annual operating expenses. [Ref. 9:p.86] This chapter suffices to outline the problems of the Pre-PPBS Budget process and, identify the "why" requirements for a new system. From this point we can now move on to look at this new system called PPBS, the DOD's solution to it's Budget problems.

III. PPBS IN THE DOD, THE FIRST 20 YEARS

A. THE PPBS PROMISE FOR DOD

In January 1961, there was a well-established legal basis for change, the establishment of a new administration. It was in the context of change that the Kennedy Administration, under Robert McNamara as Secretary of Defense, embarked upon the planning for its military activities. One of the major features targeted was the recognition of the requirement for a method for integrating resources programming and budgeting into military planning. President Kennedy had made it very plain in his speeches that he wanted not only an improvement in our strategic retaliatory forces, but also a major redressing of the imbalance in our conventional and strategic forces. With the objective clear, it was the task of the Secretary of Defense to establish a system to make the required changes.

As pointed out in the introduction of this thesis there was a need for a management tool which would allow the Secretary of Defense to view DOD at a level above the services. Since the mid-1950's, the Rand Corporation used a planning, programming, and budgeting system (PPBS) to analyze defense in the Office of the Secretary of Defense. In staffing the Pentagon, McNamara recruited two of the Rand

Corporation's most distinguished analysts, Charles Hitch and Alan Enthoven, and together with these two, introduced PPBS into the Department of Defense.

With PPBS, there is a single integrated planning-programming-budgeting process entailing (1) the planning and review of requirements, (2) the formulation and review of programs extending several years into the future, and (3) the development of the annual budget estimates. The new procedure was to:

(1) Provide for more orderly, continuous program review in contrast to the hectic program-budget review crammed into just a few months a year, which had been the practice in the past;

(2) Disclose the full financial implications of program decisions;

(3) Keep future military planning roughly in balance with probable resources and dollar availabilities--thereby minimizing the number of false starts and reducing the number of marginal and excessive support programs; and

(4) Promote unified, balanced overall defense programs in place of unilaterally balanced Army, Navy, and Air Force Programs. [Ref. 11:p.4]

Moreover, the major benefits that PPBS promise are those which address more directly the problems of the previous system.

(1) PPBS Allowed the decision-makers in the budget process in DOD to make decisions based upon the explicit criteria of national interest.

(2) PPBS considered military/forces and cost/budget together.

(3) PPBS Provided for the consideration of alternative solutions in which costs, forces, and strategies have to be considered together.

(4) PPBS allowed the base program to compete equally with new programs.

B. THE IMPACT OF CHANGE

As pointed out in of the introductory chapter, PPBS's flexibility has accommodated a number of environmental factors, one of which being successive administrations. On the premise that a new Presidential Administration typically results in some change to the status quo, plus the fact that new innovation was widely publicized; it was anticipated that the PPBS within DOD might have been subjected to some significant revisions during the first 20 years, particularly under the administrations of Nixon/Ford and Carter. However, the literature reviewed did not suggest this to be the case. In fact, apparently few substantive changes to the practical process itself occurred during this period, despite the widely publicized attempts to implement (yet two more) innovations in management-- in this case, "Management by Objectives" and "Zero-Base Budgeting."

Section C. and D. of this chapter will discuss the impact of both in more detail.

C. THE IMPACT OF MANAGEMENT BY OBJECTIVES (MBO)

Actually the two Nixon-Ford administrations of MBO wrought only one significant change to how PPBS operated within DOD, a shift to decentralize some of the decision making. This change involved not the mechanics of the

process, but the degree to which participants held authority. Secretary of Defense, Melvin Laird, appears to have left the process itself well alone. His contribution to the overall system operation was to desolve the power somewhat, moving away from what Hanson Baldwin called the "McNamara monarchy."

This decentralization was by no means radical, however. Far from completely turning over resource allocation decision-making authority to the services, Laird simply "gave them more programming initiative." [Ref. 13:p. 570]

Nothing suggests that he gave them complete authority, but rather merely increased their voice in the process. Final approval remained in the Office of the Secretary of Defense. In fact, at the same time Laird was increasing "participatory management" of his service secretaries in making "programmatic decisions", he was moving in the opposite direction, centralizing the acquisition system. Since acquisition must be viewed as a subset of the overall PPBS, this seems almost in direct conflict with the "participatory management" initiative.

Puritano credited Laird with placing "program initiation firmly with the services." [Ref. 14:p. 12] However, the move to centralize acquisition left final approval firmly seated with the Secretary of Defense. Albert C. Pierce, a senior research fellow at the National Defense University (and former Assistant Secretary of Defense) emphasized that

although the Nixon-Ford era gave the services "more operating room," "systems analysis in the Office of the Secretary of Defense still played a role." [Ref. 15:p. 48]

In summary, then, no major revision had occurred. Although Service Secretaries might purpose, SECDEF should dispose. Perhaps Laird's "move toward decentralization" can be appreciated only in relationship to McNamara's monarchy.

D. THE IMPACT OF ZERO-BASE BUDGETING

In 1977, the expected happened when a new President of a different political party than his predecessor took office: changes were imposed on how the Federal government operated.

An allegedly major change was imposed on resource allocation decision-making: the innovation of Zero-Base Budgeting. President Carter, an enthusiastic proponent of what he advertised as representing a radical revision (and improvement) to existing Federal government budget procedures, had used the ZBB process during his one term as Governor of Georgia.

The effects of ZBB differed from agency to agency. The Department of Defense had far different experience with the new system than did the non-Defense agencies--for reasons which become obvious:

1. ZBB Did Not Represent A major Revision To PPBS

Despite the protestations of the spokesmen of later Administrations, Carter's innovation in budgeting did not

constitute any truly significant change in how DOD was making resource--allocation decisions. This is explained by several factors.

a. Similarity of System Objectives

To begin with, the published objectives to ZBB had a lot in common with those advertised for PPBS 16 years earlier. For instance, ZBB was intended to:

(1) Focus budgeting on a comprehensive analysis of objectives and needs;

(2) Combine planning and budgeting into one process ;

(3) Lead managers to analyze their programs in terms of cost effectiveness. [Ref. 16:p. 36]

Every objective was already in place in DOD.

b. Similarity of Techniques

Since the systems themselves shared many common objectives, it followed that the means to achieving those ends would not be dissimilar. This proved to be the case in DOD.

For instance, the "decision package" structure mandated by ZBB was nothing more or less than the Program Element structure designed by Charles Hitch. [Ref. 17:p. 7] The furor other agencies experienced in (once again!) attempting to derive a programmatic orientation to their budgets involved little more in DOD than the aggregation of existing Program Element codes into "decision Packages." If this sounds like little more than an exercise in relabeling, that's about all it was.

Perhaps the most frequent criticism of ZBB was that it created a massive increase in documentation involved in budget submissions. This was certainly the case in DOD, as well as in other agencies. However, the types of documentation involved (for example, justification of proposed expenditure on programmatic grounds) were not novel to DOD PPBS participants. It was simply a matter of doing more of the same.

Many of the ZBB techniques not already in existence were of a nature similar enough to PPBS tools to allow analysts to develop and implement them fairly quickly. In summary, ZBB was not a radical departure from the way PPBS operated, but rather a collection of additional procedural and reporting requirements.

2. Prioritization Represented The Only Real Innovation Of Significance

One aspect of ZBB did represent a substantial departure from the existing PPBS methodology: the requirement to prioritize programs within the overall budget submission. This had been happening de facto (as it could be argued will always be the case in allocating scarce resources over excessive demands). However, there had never been a formal requirement to both prioritize programs, and document that prioritization.

This became the single most difficult aspect of implementing ZBB to the President's satisfaction. Intrinsic

to the prioritization was the requirement to propose three different funding levels for each program. DOD budgeteers were able to comply with this by taking a programmatic view-catergorizing programs according to an overall scheme ranging from "most critical" to "dispensable." [Ref. 16:p. 37] However, the need to devise hit lists of proposed decrements remained traumatic.

Arguably, the groundwork for prioritization was already present in PPBS methodology, in the emphasis of formulation of alternatives. Albeit DOD officials may have disliked having to choose among their programs--implicitly admitting which ones were not really needed--the prioritization could be seen as a vertically oriented version (different levels of the same program) of the horizontal approach already practiced (selecting among different programs). That is, the requirement to submit three proposed levels of funding for each program could be translated into simply multiplying the total number of alternatives by three. For many, it became little more than a paperwork exercise.

Some of the management literature maintains that the prioritization requirement constituted nothing of substance. "Honest agency heads will admit," he said "that program priority is influenced by the amount of funds likely to be available, rather than the other way around." [Ref. 24] Nothing in literature indicates that this was disproved by

actual experience of ZBB within the Department of Defense (or elsewhere).

3. ZBB Represented A Return Toward Centralization

As discovered in researching the Nixon-Ford era, what had been advertised as a reversal of McNamara's near total centralization of decision-making was far from radical. However,. the introduction of ZBB formalized a return to centralized decision-making. Agencies were expected to review the program prioritizations in detail with this review to take place at top-management level. In DOD, the various services used some form of management council to carry out such reviews (in the Air Force, a structure called the Air Force Board, was already in place). [Ref. 16:p. 38]

Once the individual services had submitted their proposals to OSD, the review procedure was repeated at the DOD level. Robert Anthony points out that DOD's budget was some thirty times the size of Georgia's, thus making it ludicrous to assume that top-level management would possibly manage the sheer numbers of "major budget issues" ZBB created. [Ref. 17:p. 7]

Driessnack (who was a Major General in the Air Force's budget office during the ZBB years) agreed that the number of major budget issues submitted for executive review was unwieldy. Later, Reagan appointees felt this to be one of

the most serious shortcomings of Carter's attempt to reform budgeting.

E. SUMMARY

What is obvious in this chapter is that despite the attempts of major management innovations over two decades and four Presidential Administrations; PPBS has emerged with relatively few revisions to the practical process. As a result, the impact on the overall DOD budget operation during this period has been minimum. However, the effect of these changes, as related to the perceived problems of the PPBS in 1981 has yet to be addressed. Chapter IV will explore this from the perspective of another new Presidential Administration.

IV THE CARLUCCI INITIATIVE: THE 1981 ATTEMP AT CHANGE

A. Introduction

As PPBS approached its twentieth anniversary in DOD, the system was subjected, once again, to a new Presidential Administration, of a different political party, with a series of changes. . This most recent attempt to reform the DOD budgeting process, came to be known as the "CARLUCCI INITIATIVES". Like the two other significant systemwide changes attempted over the previous two decades, many viewed the Carlucci Initiatives of 1981 as yet another attempt to clean house in DOD.

B. Why The Change In 1981?

Before discussing the changes and their impact on the PPBS process, the question of "why the Reagan Administration felt it was impelled to modify PPBS in 1981 must first be addressed.

As one would suspect at this point, the literature supports the notion that the modifications to PPBS by Reagan appointees Caspar Weinberger, Frank Carlucci, and Vincent Puritano attempted, among other things, to undo some of the more noteworthy innovations of the previous incumbents. For instance, one of the first changes to be widely publicized was the elimination of Carter's attempt at Zero-Base Budgeting.

In his first month in office, Secretary of Defense Weinberger put his Deputy Secretary, Frank Carlucci, in charge of studying the overall PPBS. As might be expected, the study group found numerous areas which they (the new administration) felt their Democratic predecessors had left in less-than-optimum condition.

Vincent Puritano who would eventually be appointed the Assistant Secretary of Defense (Comptroller) served as Carlucci's project manager for the study/revision process. Puritano organized a 30 day review of the PPBS, with "full participation of all OSC staffs, the services, and JCS." [Ref. 14:p. 9] Puritano summed up what his task force found to be the three most significant difficulties with the PPBS they inherited:

1. Planning that failed to "take fiscal realities into account;
2. A system that had grown "topheavy and congested with paper work and excessive detail;"
3. Both program and budget phases characterized with a "proliferation of structures and data bases" that "inhibited the smooth flow of the PPBS cycle."

Puritano conceded that while "the system was still meeting its basic objectives, it clearly had room for improvement. [Ref. 14:p. 10] That improvement, he promised, would result from the 32 initiatives named after his boss.

C. The Preceived Problems

Puritano attributed the problems in DOD's PPBS to what he called "system-wide distortions" created by a "20-year accretion of differing objectives and management styles," He saw the twenty years as three distinct eras (McNamara, Laird, and Carter), each of which contributed "major and potentially conflicting characteristics embedded in the PPBS." [Ref. 14:p. 10]

1. He blamed McNamara's design of interposing OSD programming direction "between the JCS planning process and the service budgeting," leaving OSD without an effective program review capability.

2. He saw Laird's participatory management initiative as simply an "overlay" onto the McNamara design, which devolved some programming discretion to the services. Moreover, although Laird's participatory management had given programming authority to the services, certain "centralization trends" offset the potential benefits of the decentralization attempt. He saw this trend as a continuation of OSD directive guidance to the services." [Ref. 14:p. 11]

3. Puritano saved his most severe criticism for Carter's attempt at ZBB. ZBB was, he maintained, never integrated into PPBS, but simply pasted on top of the existing system. Worse than that, he said, "its emphasis on total annual reviews rather than stable multiyear planning produced conflicting approaches to the development of the FYDP. ZBB also called for analyses at three fiscal levels which led to a massive infusion of additional data at all levels of review. [Ref. 14:p. 12] The most frequently leveled criticism of ZBB in the Department of Defense was surely the increased paperwork the new formats created. In addition to ZBB's "essentially useless" paperwork increases, Puritano charged Carter's with creating a more significant programming problem: "The competitive nature of the allocation process forced OSD high priority programs into the margin in order to protect service priority programs.[Ref. 14:p. 13]

D. The Preceived Consequences

The three eras of conflicting management styles and objectives left several unhappy legacies, according to Puritano. They are as follow:

1. There was a confusion of line and staff relationships between OSD and the services. " DOD had never addressed the discontinuities created by the imposition of OSD programming between JCS planning and service budgeting," he maintained. [Ref. 14:p. 13]

2. Puritano cited as another consequence of the three competing systems in the evolution of PPBS was the expansion of various information systems involved, to the extent that a "variety of competing formats, structures, and data banks had evolved. . .(leading) to duplication of data requests and paperwork overloads." [Ref. 14:p. 13]

3. Puritano saw numerous instances of decision being revisited throughout the process as PPBS operated in 1981. "Issues decided in the programming phase were often resurrected in the budgeting phase by all participants, OSD,OMB, and the services," he said, categorizing the overall problem as a case of overmanagement.

4. Puritano also scored the system in 1981 as overlooking execution:
   The emphasis and rewards were focused on the front-end justification of programs and the obtaining of appropriations. . . {with} the time of managers at all levels of DOD... spent on sheepherding their programs through the various PPBS cycles. [Ref. 14:p. 14]

5. Puritano's 1981 assessment also cited neglect of strategic planning functions in PPBS, since the "only limited feedback to policy makers and programmers was built into the systems." [Ref. 14:p. 14]

E. The 1981 Changes

The discussion presented above provides for us the context in which the Carlucci Initiatives were developed. The designers Lawrence Korb then Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics and Puritano, claimed that the Carlucci Initiatives (32 in all) represented significant improvements to the PPBS. Challenging this assertion for all 32 (many of which involved refinement to the Aquisition process) would be beyond the scope of this study. However, two aspects of PPBS modified by the Carlucci Initiatives are of relevance to the broad topic of this thesis, (1) the shift in management control, and (2) revisions to the planning phase of PPBS.

1. Shifting Management Control

Included in Carlucci's 32 Initiatives, was what was termed the "golden management formula; centralized policy responsibility in OSD and decentralized operational responsibility to the services." "This," promised Korb and Puritano, "should mean more precisely defined responsibility and accountability for results at the operating level." Under the initiative, OSD staffs were envisioned as being able to concentrate on the "more appropriate central staff function. . .rather than detailed program direction as in previous years." OSD analytical efforts would "emphasize cross-service and cross-command analysis. . .to help the

secretary make the high priority decisions that only he or she can make." OSD would eliminate "most of the detailed directives of the past" and limit the number of major issues brought to OSD level. [Ref. 13:p. 572]

Another initiative mentioned in the introduction, a legacy from the Carter Administration, was the Defense Resource Board. The DRB was composed of top-level OSD appointees (Assistant Secretaries of Defense, the Service Secretaries, the Associate Director of OMB, and the Chairman of the Joint Chiefs of Staff). Under the restructuring ordered by the Carlucci Initiates, the membership was expanded from 12 to 18 members. The DRB was envisioned by Carlucci and Puritano as taking the major responsibility for the policy-making intrinsic to PPBS, and managing the entire PPBS process. (The analogy to the corporate board of director found in the private sector).

Carlucci himself articulated the philosophy behind the separation of policy making from policy execution, which he termed "controlled decentralization".

> . . .working with the Service Secretaries, the Chairman of the Joint Chiefs of Staffs, and OSD staff the Secretary {of Defense} and I will concentrate on major policy decision, definition of planning goals and the allocation of resources necessary to strengthen the horizontal integration of our four Services into a balanced Armed Forces Team to meet our national military strategy. . .we will hold each of the Service Secretaries responsible for the development and execution of the necessary programs and the day-to-day management of the resources under their control... This will focus Service management efforts on improving the operational efficiency of department.[Ref. 18:p. A.2]

If the Carlucci Initiatives fulfilled this promises of their designers, OSD staffs would be engaged primarily in "broad policy guidance for the services, "limiting analytical efforts to issues that cross service or major military command lines.[Ref. 15:p. 45]

2. Adjustments To The Planning Phase

One of the important themes of the Carlucci Initiatives involved improvements to strategic planning during the early planning throughout the other phases of the system. This would involve a "more disciplined planning process that will provide the framework, the goals and objectives, the appropriate military strategies, and the risks associated with the optimum allocation of available resources...based on military requirements that flow from a realistic assessment of near-term and long-term threats. [Ref. 18:p. A.4]

The essence of his attempts to strengthen planning involved greater participation in PPBS activities by the military leadership (including operational commanders) who theretofore had not been deeply involved. The Defense Resources Board was to take an active role in reviewing and approving the strategy emerging from the planning phase, to "ensure that policy is reflected in the resulting programs and budgets." [Ref. 15:p. 48]

F. Summary

This chapter has provided the final accounting of changes to the PPBS process. PPBS is a process which was conceived as a better way of making budgetary decisions. Each of the two preceding innovations (MBO and ZBB), were seen as new approaches to the basic PPBS concept; with the goal of a better decision making process for DOD. Like its two predecessors, the Carlucci Initiatives was also viewed as providing "an intelligent framework, which capitalizes over three decades of experience in DOD... The success of this approach "will ultimately be judged on the quality of the budgetary decisions that are made" [Ref. 13:p. 574] The information presented thus far, does not allow us to challenge the implicit notion that the changes made to PPBS by the Carlucci Initiatives and the two preceding innovations, resulted in better budgetary decisions. However, we now have the basic information to analyze the results of these changes, relative to the success of PPBS in the DOD.

V ANALYSIS OF THE FINDING

A. INTRODUCTION

The preceding four chapters have sought to provide the reader with a broader perspective of the evolutionary process which PPBS in the DOD has undergone during its twenty-five year existence. Using the three basic questions established at the beginning of the study, this analysis will address the findings relative to the question.

B. The Problem Leading to the Introduction of PPBS

The first research question addressed the underlying reasons for the introduction of PPBS.

The findings on the Pre-PPBS problem of the DOD discusses some of the fundamental issues of budget reforms. The problems to which PPBS was to solve were not new but revolved around the issue repeatedly emphasized in budget reform literature, i.e., the introduction of planning considerations at the front end of tne budgetary process. As chapter II indicated, prior to PPPBS there was no practical connection between planning done by the military component in the DOD and the budgeting, a responsibility of the civilian component. As we have seen, what integration of planning and budgeting did exist was in name only. The Basic National Security Policy (BNSP) which was supposed to

kick off the budget process with a "complete and thorough" statement of defense policy was not able to resolve disagreements on what the defense policy should be. Instead of providing specific guidance, it became a statement of generalities acceptable to all. For this reason, its utility as a basis for developing the follow-on planning document, the Joint Strategic Objective Plan (JSOP) was very much diminished. As a result of each service's interpretation of the generalities of the guidance, budgets were prepared that enhanced the services own parochial interests. Lacking a mechanism for monitoring cross service plans and programs, the DOD was faced with duplication of efforts and neglect of important missions.

There is no unanimity among the literature reviewed, that the recognized problems of the traditional budgeting process offered a complete explanation for the introduction of PPBS. Numerous other explanations are suggested. However the prevalent theme of this study is that PPBS was instituted to correct the various problems, evident in traditional budgeting. The point to be made here is that bona fide problems were perceived and a rational sounding corrective alternative was offered in by PPBS.

C. The Impact of Evolution

The second research question sought to discover what effect the various innovations to the PPBS process had on the practical budget process of DOD.

PPBS was conceived as a better way of making budgetary decisions in DOD. In 1961 it became DOD's formal process for making resource-allocation decisions. As this study has pointed out, PPBS has been in a state of constant evolution since its introduction into DOD.

After reviewing the major innovations (management by objectives, zero-base budgeting and the Carlucci initiatives) of the PPBS evolutionary process, the literature leads us to two conclusions. First, despite widely publicized attempts, over two and a half decades and five presidential administrations to implement new innovations to the DOD's PPBS, few if any substantive changes to the practical process itself have occurred. Second, as a result, the impact on the overall budget operation in DOD during this period has been minimal.

However, disregarding this minimum role that the various innovations played in influencing the actual budget process in practice, these innovations went a long ways toward establishing PPBS as a national symbol of organization control in the DOD. Moreover, it sent a very clear signal to the constituents that someone new was in charge and something was being done.

In each of the innovations discussed in this study, a case can be made for the symbolic function that it was designed to perform. Aimed primarily at managing the relationship between the DOD and those environment factors discussed in the study introduction, the changes to PPBS can be viewed in some respect, as symbolic gestures of accommodation.

When we look historically at the character of the activities surrounding each of the major innovations the patterns are familiar. What becomes very visible is the politics of the follow-on political party (we are cleaning up the other guy's mess); the well publicized change (a new and better way) and the reorganization (we now have the right people in the right jobs). This type of image building activity has been associated with each of the PPBSs innovations and suggests that this symbolic role may prove to have the more significant impact on the overall budget process in the DOD.

D. Still Unresolved Problems

The final research question in this study focused on the issue of still unresolved problems after over 20 years of PPBS evolution. The focus of the discussion will begin from the perspective of the Carlucci Initiatives described in the last chapter.

Despite what appeared to be the ambitions efforts of the first term Reagan Administration to improve PPBS, the Carlucci Initiatives were not perceived in the literature as totally satisfactory. In the mid-1980's criticism of the PPBS process began to emerge which led to several "comprehensive" reviews of PPBS. For instance, in 1982, the Center for Naval Analysis sponsored a conference on PPBS to look at the system "past, present, and future." Intended primarily for internal DOD edification, the conference included participants who were past and present practitioners, both military and civilian. In 1985, the Joint Department of Defense/Government Accounting Office Working Group on PPBS published their findings and recommendations. In 1985, the staff of the Senate Committee on Armed Services published their report on the need for changes to the DOD organization.

These new studies of PPBS are not limited to the government; other literary sources had renewed their attention to this subject. Emerging from this increased review of the PPBS process are some of the more common perceptions of the problems that still prevail. The list of a few of the perceived problems includes many familiar concepts, some that have evolved due to changes and other from inception.

1. Planning Remains The Weak Link In The PPBS.

From their review of PPBS, the Joint Working DOD/GAO Working Group concluded that there was "a consider able range of opinion on the relationship between national security goals and objectives, Defense strategy, and the notion of a "Planning Force" as they relate to the operation of PPBS.[Ref. 3:pp. 32-33] The contemporary planning policy documents (principally, the Defense Guidance) failed to meet the PPBS objective of providing "a programming bridge from national security goals to the budget's construction."[Ref. 3:p. 33] "Literature on PPBS and DOD planning", read the Working Group;s study report, "is replete with references to the gap between Defense strategy and the derived force levels, and the resources available to DOD."

The report continued: "Some observers have regarded that as a serious flaw in the PPBSconcept.{On the other hand}, the 'gap' can better be described as a way for higher level planners to acknowledge that the resources available in a peacetime economy will not permit maintaining military force levels that are sufficiently large to assure a minimum degree of risk in meeting the projected threats." [Ref. 3:p. 33] The PPBS had not been designed to accommodate such a multiplicity of planning scenarios, which explains to some degree the continuing disconnect.

2. The Focus Of Resource Allocation Remains On The Budget Year

Despite the creation of the Five-year Defense Plan, and despite design features of PPBS that were supposed to ensure a multi-year perspective, the system continues to emphasize budgeting as a year-to-year exercise. There is a direct relationship between this perceived shortcoming and that of the failure to effectively link planning to budgeting.

3. The Information Systems Supporting PPBS Have Become Unwieldy

The evolution of PPBS has led to the creation of a variety of data bases, used for various purposes throughout the cycle. Instead of a single, uniformly understood and applied information system, DOD and the services have created a plethora of overlapping and potentially confusing systems.

4. Budget Execution Is Largely Ignored

A perennial problem since PPBS was instituted; has that the system emphasized budget formulation rather than execution. The absence of effective feedback creates the potential for continuing ineffective program expenditures and prevents correction of serious problems. In effect, the issue is one of total system control.

E. SUMMARY

The findings in response to the three research questions suggest a uniform pattern of information. First, that PPBS was conceived in response to what was perceived as bona fide problems in defense budgeting. Next, the impact of the PPBS evolution and the numerous innovations had been minimal, relative to the budgetary practices of DOD; but major in terms of legitimatizing the process. Finally, the strongest of the patterns identified, is the constant reappearance of the familiar concern over "budgeting problems", a concern voiced in the early 1960s' and still being voiced today.

VI CONCLUSION

In the next two years PPBS will be approaching its twenty seventh anniversary in the DOD. Once again the budget process may be subject to yet another series of changes, promptd by the arrival of a new Presidential Administration. The findings presented in this thesis, suggests that PPBS played more of a reconciliation role for the previous four new Administrations. When viewed in their context it seems highly possible that the changes made to the PPBS process over the years, were often made in an attempt to acquire some legitimacy, relative to the environmental factors which must be accommodated.

The findings also attest to the attractive roles that the concern over "budgeting problems" performed in legitimatizing the process. Without what are perceived as bona fide problems in defense budgeting which requires solutions, it is difficult to implement the sort of rational sounding corrective measures needed for image building. This concept simply stresses that the survival of PPBS requires it to not only meet the budgetary needs of the DOD, but also help maintain a viable coalition of supporters, who are concerned about defense budget problems; problems that may have no solutions, but are more than compensated for by other apparent benefits.

The original search on the literature focused on three questions for which this study has addressed. However, there are a number of questions worthy of futher study as a spin off of this study. Suggested areas for futher study:

(1) The relationship between PPBS and the policy. Can specific changes in policy be traced directly to PPBS?

(2) How does the Congress really regard the PPBS in the DOD?

(3) What is the real role of PPBS in the decision-making process of the DODs resource allocation?

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APPENDIX

LIST OF ABBREVIATIONS AND ACRONYMS

BNSP ----------Basic National Security Policy Document

ASD ----------Assistant Secretary of Defense

CINCS ----------Commander-in-Chief of the Unified and Specified Commands

DG----------Defense Guidance

DOD----------Department of Defense

DRB ----------Defense Resources Board

FYDP ----------Five-Year Defense Plan

JCS ----------Joint Chiefs of Staff

JSOP ----------Joint Service Objectives Plan

MBO ----------Management of Objective

OMB ----------Office, Management and Budget

OSD ----------Office of the Secretary of Defense

POM ----------Program Objective Memorandum

PPBS ----------Planning, Programming, and Budgeting System

SECDEF ----------Secretary of Defense

ZBB ----------Zero Based Budgeting

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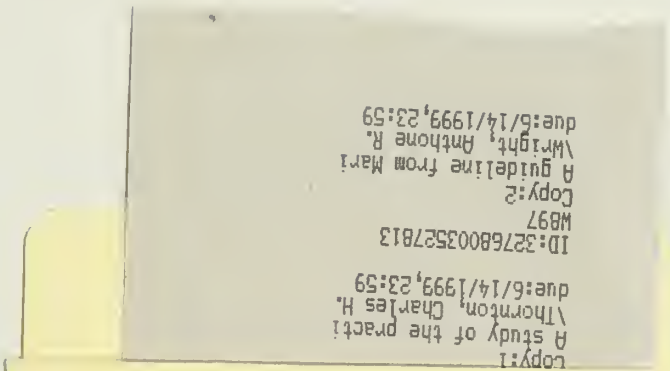
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